

Rural Economic Development Study Committee

Final Report

January 16, 2002

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RURAL ECONOMIC DEVELOPMENT STUDY COMMITTEE

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MEMBERS

Representative Flake, Chairman
Representative Binder
Representative Maiorana
Bob Moffett
Peter Belletto
Lavelle McCoy
Edward Richards
Owen Cargol

Senator Bennett
Senator Buenther
Senator Verkamp
Allen Edgar
Bill Feldmeier
Gerry Whipple
Joan Timeche
Karen Nicodemus

RURAL ECONOMIC DEVELOPMENT STUDY COMMITTEE

**To: Governor Jane Dee Hall
Speaker Jim Weirs, Arizona House of Representatives
President Randall Gnant, Arizona Senate**

The Rural Economic Development study Committee was created by the Arizona House of Representatives and the Arizona Senate in July of 2000. The Committee was repealed on December 31, 2001. The Committee has conducted research pertaining to Arizona's rural economic development and has compiled a report of the findings and proposed recommendations.

I. AUTHORITY AND SCOPE OF DUTIES

The Rural Economic Development Study Committee (Committee) was created for the purpose of producing recommendations to improve economic development in rural Arizona. The Committee was to report their findings and recommendations to the Governor, Speaker of the House of Representatives and President of the Senate. Represented on the Committee are three members of the House of Representatives, four members of the Senate and ten members of the public who were appointed for their knowledge and interaction in the area.

The Committee is repealed from and after December 31, 2001. The duties of the Committee are:

1. Examine the economic trends that are shaping development in rural Arizona.
2. Examine federal and State policies that affect rural economic development.
3. Examine land use and housing policies and their impact on rural economic development.
4. Examine current rural economic development policies in Arizona and other states for information and review.
5. Produce a written report on the findings and recommendations to improve rural economic development in Arizona.

II. ACTIVITIES

The Committee met on three occasions: June 8, 2000, August 8, 2000 (staff only), January 4, 2001 and October 18, 2001. All meeting notices, minutes and attachments are on file with the Office of the Chief Clerk of the House of Representatives and the Office of the Secretary of the Senate.

- June 8, 2000 meeting

Discussed the Committee member appointments and the expectations of the Committee. The plan for attaining the Committee's purpose was discussed in detail. The Committee identified the specific issues of rural economic development, the programs and entities related to it and the process for research. It was decided the delivery of information would be determined at a future meeting and the next meeting time would be created after information was gathered.

- August 8, 2000 staff meeting

Staff identified their research strategies for conducting the Committee work. They identified the specific economic development needs and obstacles, means of gathering information and ways of analyzing and summarizing the information. Staff also discussed future activities of the Committee and the final report's due date and presentation.

- January 4, 2001 meeting

Representative Flake was elected Committee chairperson with unanimous motion started by Senator Bennett and seconded by Representative Maiorana. Representative

Flake acknowledged the diversity of needs throughout Arizona, including various degrees of growth. He explained the Committee should be a great resource in economic development especially in slower growing cities. He continued by identifying himself as having personal concerns in this area as he is a cattle rancher in Snowflake, Arizona.

Tami Stowe, a majority research analyst, described the purpose of the Committee and stated some obstacles to it found in Arizona legislation. She identified health maintenance organizations (HMOs), lower health care premiums, water rights, infrastructure and utilities as important issues to address. Ms. Stowe informed the Committee on research material in the library and the possibility of information being added to web sites.

Craig Sullivan gave a presentation on Arizona Partnership for a New Economy (APNE) and their recommendations for improving the State's economy. Their recommendations start with the development of four subcommittees on the internet accessing the Government, the public, education and communication.

Bob Moffett presented material about State Rural Development Council (SRDC) and its purpose of addressing rural concerns for economic development and improving people's quality of life. Phyllis Murray, the Assistant Director to the Office of Housing and Community Development Department of Commerce, explained the opportunities for SRDC to obtain funding.

Susan Patrick presented information on Government Information Technology Agency (GITA) and their concern for utilizing new technology. Some specific technologies they suggest taking advantage of were the Internet, specifically New Technology, and telecommunication. She concluded that information should be standardized and centralized and this can be accomplished through technology.

In closing, Chairman Flake requested Ms. Stowe compile the reports into an executive summary for the members, Mr. Moffett requested Ms. Stowe create a list of important Committee subject matters and Ms. Nicodemus requested she provide information about other legislation for this session.

- October 18, 2001 meeting

Chairman Flake reminded the Committee of their duty to submit a report by December 1, 2001.

Bill Feldmeier testified about current commerce/industry concerns in Mohave, Yavapai, Coconino, Navajo, Apache and Gila Counties. He explained that there are commonalties among many of Arizona's rural communities, including lack of education and communication infrastructure. He identified local governments, state agencies and private organizations as strong sources of support in development. He asserted decentralization is important in the process of creating successful rural communities.

Discussion followed and members of the Committee added the importance of healthcare and natural resources to Mr. Feldmeier's findings. They also generalized his findings to other rural communities in Arizona.

Chairman Flake decided five resolutions should be created for the focus of the next meeting.

Robert Detweiler, the Director of Community Development Division in the Arizona Department of Commerce, presented information on current action in Congress affecting rural economic development. The Economic and Rural Development Council

program was created to develop the White House Economic Policy Council Working Group report. The Council has been operating for ten years in forty states. Arizona is waiting for authorization and funding from the Federal Government to be granted in order to create their state's Economic and Rural Development Council.

Discussion followed and members of the Committee emphasized their concerns about funding to rural communities. Mr. Roanhorse explained school and hospital construction is not included in federally funded economic development strategies.

Susan Patrick, from the Government Information Technology Agency (GITA), established her agency's authority in the area of telecommunication development. She illustrated their interest in rural communities and her Director, Richard Zelznak, stated Telecommunication Open Partnership for Arizona (TOPAZ) has been an important part in the recent advancements in rural communities' telecommunications.

The members discussed GITA's presentation and agreed telecommunication is important because business needs it. They also showed concern for wireless communication, which is important but costly. Satellite communication was also brought up as a possible solution to problems.

Chairman Flake passed out a list of proposed resolutions for the committee and emphasized the importance of State support to local governments. Senator Verkamp suggested an all-inclusive review and Ms. Timeche requested a policy statement regarding Native American treatment. Mr. Roanhorse commented that sovereignty could be an obstacle with the Native Americans. The members reiterated their concerns for healthcare, specifically the shortage of nurses, and education.

Rural Economic Development Committee held no further meetings due to scheduling conflicts; therefore, no formal recommendations were made.

PROPOSED RECOMMENDATIONS

At the October 18, 2001 meeting, the following recommendations were proposed:

1. Improve transportation in rural Arizona.
2. Improve high tech communications.
3. Improve healthcare.
4. Disperse state agencies throughout the State.
5. Encourage agencies, such as Commerce and Tourism, to spend a major percentage of their budgets and resources on promoting outside of Maricopa and Pima counties.